

REMARKS

This Amendment is being filed concurrently with an RCE so that prosecution of the application can be continued following the final Office Action. By this Amendment, claims 18, 20, 21, 23 and 28 are amended, while claims 19 and 24-27 are hereby cancelled in an effort to clarify the key features of the invention which Applicants respectfully submit represent a patentable, non-obvious improvement over Applicant Ernest Thiessen's previous patent, US 5,495,412 (hereinafter, the '412 patent). Claims 21 and 29 remain unchanged. A detailed discussion of the claim amendments is provided herein.

At the outset, the undersigned attorney, William A. Blake, would like to thank the Examiner, Siegfried Chencinski, for the courtesy shown in conducting the telephone interview of December 12, 2008. At that time, Mr. Blake had called Examiner Chencinski to discuss the scheduling of an interview with the Examiner and his supervisor. Mr. Blake indicated his intention to file an RCE with a further Amendment and Examiner Chencinski agreed to scheduling of a telephone interview to be conducted soon after the RCE was filed and to include participation by a supervisor. However, some of the substantive issues were discussed during the telephone call, which itself thus became an impromptu telephone interview. The issues are summarized below.

Mr. Blake began by noting that the first rejection set forth in the Office Action appears to be in error because it asserts deficiencies in claim 18 that are not present in the claim. The rejection reads as follows:

“Claims 18-29 are rejected under 35 U.S.C. 101 because the claimed invention is not supported by either a tangible asserted utility, a concrete asserted utility or a well established utility. 1) regarding tangibility, independent claim 18 and dependent claims 21, 24, 26, 27 and 28 fail to produce a concrete result by containing the limitation "other information" and "other suggestions" which is

indefinite. Further, 2) the lack of tangibility in independent claim 18 impacts dependent claims 19-29, which depend on independent claim 18.”

Mr. Blake noted that contrary to the assertion made by the Examiner, claim 18 does not contain either of the phrases “other information” or “other suggestions.” As a result, it appears that this rejection is incorrect at least as to independent claim 18. Examiner Chencinski acknowledged the error but asserted that claim 18 still failed to provide a concrete result because the claim does not recite an invention in which results could be reliably reproduced by different parties. Mr. Blake disagreed and attempted to explain why the invention clearly provides a concrete result, regardless of whether the parties employing the invention reach an agreement to their negotiation problem. Ultimately, Examiner Chencinski and Mr. Blake agreed that this Amendment would be filed with an RCE and then an in depth interview could be conducted with a supervisor taking part.

Before making specific reference to the changes to the claims and addressing each of the rejections set forth in the Office Action, a brief summary of the key features of the invention and how they differ from prior methods will be presented. The subject application includes a description of the entire web-based negotiation system known as Smartsettle (the features of the system can also be viewed at <http://www.smartsettle.com>). The original system on which much of the current system is still based is described in the ‘412 patent. Although the entire Smartsettle system is described in the subject application, the key patentable feature of the present invention, which Applicants respectfully submit represents a novel, nonobvious improvement over the ‘412 patent system, is described in the specification in paragraph 26 on page 11 and illustrated in FIGs. 16-18. This feature is referred to as “Suggestions” and is also described at the Smartsettle website at <http://www.smartsettle.com/resources/glossary/31-glossary/181-suggestion>. After the parties to the negotiation enter their preference information

for each issue, the computer generates a plurality of proposed suggested solutions to the negotiation problem and displays these suggestions to all of the parties for their consideration. The key to this feature is that the system is programmed to record each party's confidential acceptance of any number of the visible suggested solutions. The parties are aware before they use the subject invention, that if they agree to one or more of the computer-generated suggested proposed agreements and all other parties also agree to one or more of the same proposed agreements, then one of those mutually acceptable proposed agreements will become an agreement for the negotiation.

For example, in the example illustrated in FIGs. 16-18 and discussed at paragraph 26 of the specification, the computer has generated five different proposals from which Sally and Big Co. can choose as possible agreements to the multiple issue negotiation. As illustrated, Sally originally entered a proposal for the 3 issues that has a combined rating of 350, while Big Co's proposal is rated at 0. In response, the computer has generated five proposals that have ratings which fall between the 2 submitted proposals and are specifically Suggestions 1-5, which are 175, 263, 88, 308 and 220, respectively. Next, in FIG. 17, Sally accepts Suggestion 5, rated at 220. Then, Suggestion 5 becomes the agreement in FIG. 18 because unknown to Sally, Big. Co. has also accepted Suggestion 5.

It is important to note that the invention requires that the acceptance of the computer generated suggestions be made in confidence by each of the parties. Although the specification refers to this as "blind bidding," it is not conventional blind bidding such as is disclosed, for example, in US Patent 6,330,551, of record. In conventional blind bidding, the proposals (or bids) are blind, not the acceptance. In the subject invention the proposals (i.e., bids) are always visible but the acceptance is blind. Conventional blind bidding is only practical for single-issue

negotiations between two parties. In conventional blind bidding no proposals are generated by the system. They come from the parties and are submitted in confidence (blind to the other party). The action of the system is only to calculate the agreement according to some previously agreed formula and show what the agreement is to the parties. The only way this type of blind bidding would work in complex multi-issue negotiations, would be for the parties to each submit the identical proposal, and the likelihood of that is so remote that there is no practical application of conventional blind bidding except for single-issue negotiations between two parties.

The subject invention overcomes this substantial drawback to conventional blind bidding, by keeping the proposals (or bids) visible. What is blind in the subject invention is the acceptance that each party places on each proposal and this makes it possible for blind bidding to be practical for negotiations with any number of issues or parties. On a side note, in simulations, the Smartsettle system embodying the subject invention has demonstrated a remarkable 93% success rate in assisting parties in a dispute to reaching a settlement of the dispute (see <http://www.smartsettle.com/news-and-events/32-news-and-events/247-93-percent-settlement-rate>).

With reference now to the amendments to the claims, claim 18 has been amended to specify that a plurality of suggestions is generated by the computer and provided to each of the parties to avoid any confusion with the single proposed settlement that is generated by the computer in the '412 patent technique. Claim 18 has also been amended to incorporate the graphical interface limitations of cancelled claim 19. In particular, claim 18 now recites that each party enters proposal information and suggestion selections into the one or more computers through one or more graphical interfaces. Each party then enters into the computer in confidence through the at least one graphical interface, an indication as to which, if any, of the suggested

proposed agreements they are willing to accept. Finally, the at least one computer generates an output indication on the at least one graphical interface whether each of the parties has accepted at least one of the same suggested proposed agreements as a resolution of the negotiation.

Dependent claims 20, 21, 23 and 28 have been amended to maintain consistency with the amendments to claim 18.

With reference now to the various objections and rejections set forth in the Office Action, as noted previously, claims 18-29 are rejected under 35 U.S.C. 101 because the claimed invention is not supported by either a tangible asserted utility, a concrete asserted utility or a well established utility.

As noted above, this rejection was discussed during the impromptu telephone interview and Examiner Chencinski acknowledged that the wording of the rejection was in error as to claim 18. In any event, Applicants respectfully submit that claim 18 clearly meets the utility requirements of 35 U.S.C. 101 which require that an invention be “new and useful.” Applicants respectfully submit that computer based negotiation assistance systems and methods as disclosed and claimed in the ‘412 patent and in the subject application are clearly “useful” within the meaning of 35 U.S.C. 101 and by no means represent mere abstract ideas, for example.

Applicants are frankly confused by this rejection since the explanation in the Office Action is in error and Examiner Chencinski did not clearly explain what aspect of the invention recited in claim 18 lacked utility. In any event, the rejection as it stands is clearly in error as to claim 18, since claim 18 does not contain the referenced terminology. Further, the rejection as to claims 21 and 28 is overcome by the amendment thereto, while the rejection as to claims 24, 26 and 27 is rendered moot by the cancellation of those claims.

Claims 18-29 are also rejected under 35 U.S.C. 112, first paragraph. In this regard, the Examiner asserts that “since the claimed invention is not supported by either a tangible asserted utility, a concrete result or a well established utility for the reasons set forth above in the rejection under 35 USC 101, one skilled in the art clearly would not know how to use the claimed invention.”

Applicants assume that this rejection is rendered moot by traversing the rejection under 35 U.S.C. 101 above. Even if this were not the case, Applicants take issue with this assertion. The subject application clearly shows how to use the claimed invention as illustrated, for example, by the previously discussed example negotiation between Sally and Big Co. that is illustrated in FIGs. 16-18 and discussed in the specification at paragraph 26.

Claims 18-29 are also rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The Examiner asserts that the claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention because the specification contains methods and guidelines which can only be implemented in a subjective manner, thus preventing two ordinary practitioners of the art working independently from the possibility of duplicating the results of one another.

Applicants completely disagree with the foregoing assertion. Obviously, if different parties involved in different negotiations employ the method of the present invention, the issues will be different and the outcomes will be different. This, however, has nothing to do with how to practice the method of the invention, which is clearly described in the application. The fact that subjective decisions have to be made by the parties in order for the invention to be used has nothing to do with whether an enabling description of the invention has been provided. As noted

above, the key feature of the invention, which is illustrated for example in FIGs. 16-18, is the concept of the computer generating a plurality of possible solutions to the negotiation problem which are provided as suggestions to each of the parties and then allowing each party to accept in confidence (unknown to each other) one or more of the computer supplied suggestions. This concept is readily understood and the procedure does not change no matter what the mental or emotional state of each party is at the time the invention is used to assist a negotiation.

Claims 18-29 also stand rejected under 35 U.S.C. 112, second paragraph, because numerous terms in the claims are relative terms which render the claims indefinite.

The Examiner asserts that “independent claim 18 lacks concreteness and tangibility because there are not concrete or tangible bounds to the proposals and suggestions, parameters for agreement, issues to be resolved and parameters for indications of agreement by the parties in the negotiation.” In support of this contention, the Examiner states the following regarding claim 18 on page 4 of the Office Action:

Further, in independent claim 18, it is unclear that the stated goal in element a) of generating "at least one potential agreement" is guaranteed to be achieved. It is unclear how each party's preferences will be expressed (element b)). Regarding element d), it is unclear how potential agreements will be evaluated.

With all due respect, it appears that the Examiner has restated the rejection of cancelled claims 1 and 16 that is set forth in section 4 of the Office action mailed on November 14, 2007. However, claim 18 does not even contain the phrases or terms that the Examiner is questioning, including “at least one potential agreement,” “party’s preferences,” and “evaluated.” Applicants therefore assume that the rejection of claim 18 was an oversight in this regard. Thus, this rejection is clearly in error and should be removed.

The Examiner also asserts that the terms “level of satisfaction,” “preferences,” “other information” and “other suggestions” in the various dependent claims render the claims indefinite. As for the later two terms, the rejection is hereby rendered moot either by the deletion of the terms from the claims or the cancellation of the claims. However, Applicants respectfully disagree with the assertion that the terms “level of satisfaction” and “preferences”, which are still present in some of the new dependent claims, render the claims indefinite. Applicants argued against this same point in the last Amendment but the Examiner did not comment on the arguments which are once again presented here as follows. The negotiation example set forth in the numerous drawing figures and corresponding description clearly sets forth what these terms mean. “Level of satisfaction” is clearly disclosed in the application as meaning a quantified measure of the expected utility from a particular outcome of the negotiation. This quantified measure is shown to the parties as a rating for every package. In this regard, reference is made to FIGs. 8 and 9 in the subject application that illustrate two types of satisfaction level graphs in which satisfaction levels can range from 0% (not satisfied at all) to 100% (completely satisfied). By the same token, party preferences are also clearly described in the application as those possible outcomes to the issues being negotiated that each party prefers to occur. FIG. 13 illustrates, for example, the preference analysis process in which issues get ordered in terms of importance or preference of each party.

Claims 18-29 also stand rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-20 of U.S. Patent No. 5,495,412 because although the conflicting claims are not identical, they are not patentably distinct. The Examiner asserts the following in support of this rejection on page 5 of the Office Action:

Applicant's specification supports these grounds for nonstatutory obviousness-type double patenting because Applicant admits in the specification that the

instant application is based on the invention of Patent No. 5,495,412, but that it differs through the addition of an "improvement" by adding the feature which "allows decision makers to use blind bidding" (Specification, p. 3, ll. 27-28; p. 6, ll. 1-2). Aggarval et al. (US Patent 6,151,589) discloses the use of blind bidding prior to Applicant's invention. However, Applicant has not claimed this improvement. This makes the current claims mere rewordings of the claims.

As discussed above, Applicants do in fact admit that the present invention represents an improvement over the invention recited in the '412 patent, but this improvement is not conventional blind bidding as already discussed. Not surprisingly then, the Examiner is correct in his assertion that Applicants are not claiming as invention their previous invention with the improvement of conventional blind bidding as disclosed in Aggarval et al. The Examiner's conclusion, however, that this makes the current claims a mere rewording of the claims in the '412 patent is incorrect and ignores the explanation of the difference between conventional blind bidding and the technique employed in the claimed invention that was clearly set forth in the second paragraph on page 10 of the Amendment filed on May 5, 2008, and has been restated herein above.

Nowhere in the '412 patent is there any suggestion of providing each of the parties with a plurality of suggested potential resolutions to the negotiation, each of which includes a proposed value for each issue and then enabling the parties to enter, in confidence, an acceptance of one or more of the suggested proposals. Applicants respectfully submit that the improvement which the claimed invention represents is neither disclosed nor suggested by any of the references of record whether taken singly or in combination with one another. Clearly then, the obviousness double patenting rejection over the claims of the '412 patent is in error and should be removed.

Finally, claims 18-29 stand rejected under 35 U.S.C. 102(b) as being anticipated by Thiessen (U.S. Patent No. 5,495,412). In the Office Action on pages 6-7, the Examiner asserts:

“Re. Claim 18, Thiessen anticipates a computer executable method for resolution of a negotiation between two or more parties including one or more issues to be resolved, operative to control one or more computers and stored on at least one computer readable medium, the method when executed by said one or more computers comprising the steps of:

- a) receiving in at least one of said computers one or more proposals for agreement from each of said parties in said negotiation regarding the one or more issues to be resolved (Computers - Abstract, ll. 5-10; Receiving proposals - Col. 5, ll. 42-50);
- b) generating with at least one of said computers one or more suggestions that are based on said received proposals and seek to provide at least one potential resolution to the negotiation (Col. 5, ll. 52-58);
- c) providing each of said suggestions to each of said parties (col. 5, ll. 58-60);
- d) receiving in confidence in at least one of said computers from each of said parties an indication as to whether that party accepts one or more of said suggestions Abstract ll. 14-16; Col. 3, ll. 37-38; Col. 7, ll. 19-26; Col. 10, ll. 27-28); and
- e) generating an indication with at least one of said computers that said parties have reached an agreement if all said parties accept one or more of the same said suggestions (Abstract - ll. 24-25; Col. 10, ll. 38-39, 47-49), but if not, generating an indication with at least one of said computers that said parties have not reached an agreement (Fig. 28 - STOP points; Col. 10, ll. 43).

Applicants’ respectfully traverse this rejection for the following reasons. First, contrary to the Examiner’s assertions, the ‘412 patent does not disclose one of the key features of claim 18, element d), in which acceptance of any of the suggestions proposed by the computer is received *in confidence* from each party so that each party is unaware as to whether each other party has accepted one or more of the proposed suggestions supplied to the parties by the computer.

The excerpts the Examiner uses to support the assertion that element d) of claim 18 is disclosed in the ‘412 patent clearly do not in fact disclose this element. First, lines 14-16 of the Abstract read as follows:

“Each party may also enter one or more proposed alternative agreements which provide the party with a specified level of satisfaction.”

The above has nothing to do with acceptance of proposals generated by the computer and makes no mention of confidentiality.

The second excerpt, column 3, lines 37-38 reads as follows:

“If all parties accept the alternative generated by ICANS as a tentative agreement, that alternative is known as a common base alternative (common base for short).”

While this statement indicates what happens if the parties accept the single computer generated alternative as an agreement, once again there is no indication that the acceptance is received by the computer in confidence from each party. The ‘412 patent does not specify how this is done and silence is not a teaching.

The third excerpt, column 7, lines 19-26 reads as follows:

“Another kind of interdependence results when the satisfaction obtained from one issue depends on the decisions that would be taken for other issues. In this case the relative satisfactions are not strictly additive and more iterations are required to come to a satisfactory solution since the final values of various issues are unknown at the beginning of a negotiation process. ICANS methodology permits modification of preferences expressed in terms of these relative satisfaction functions at any time during the negotiation process.”

Again, the above passage has nothing to do with confidential acceptance of proposals generated by the computer. Instead, this excerpt is referencing the complexities of interdependence. The ‘412 patent system deals with this by allowing modifications of preferences at any time during the negotiation.

The final excerpt cited in support of the assertion that the ‘412 patent discloses element d) of claim 18 is a part of a sentence at column 10, lines 27-28 which reads as follows:

“At this stage of the negotiation process, after alternative proposals have been offered by each party,”

Once again, this has nothing to do with acceptance of suggested proposals made by the computer. This statement merely describes the ability of parties to offer visible concessions (just like the original proposals) and mentions nothing about confidentiality.

As mentioned previously, Applicant Ernest Thiessen is the inventor in the '412 patent and knows the so-called ICANS procedure disclosed therein intimately. The ICANS procedure involved entering confidential preferences on the outcomes of issues and tradeoffs among the issues. The parties would negotiate by exchanging visible proposals. The system would use their preference information to generate an equivalent package based on proposals from the parties (using a technique referred to as Minimize the Maximum Gain). A proposal or a generated equivalent could become a common base or tentative agreement when accepted by all parties. The final step is the generation of a Pareto optimal improvement (using Maximize the Minimum Gain).

In ICANS, what were kept confidential were the preferences of the parties pertaining to the issues (not preferences pertaining to the computer generated equivalent package). These preferences were described as pertaining to each issue, i.e., preferences on the possible outcomes of each issue, data on satisfaction functions for each issue, i.e., the relative satisfaction that would be obtained by various outcomes, and tradeoffs among the issues, which determine the importance of each issue relative to other issues. In contrast and as has already been discussed, the so-called Suggestions concept covered by claim 18 requires that the acceptance of the computer generated suggestions be made in confidence by the parties. This concept is clearly not disclosed in the '412 patent.

Nevertheless, to further distinguish claim 18 over the ICANS process disclosed in the '412 patent, claim 18 has also been amended to specify that a plurality of suggested proposed

agreements is generated by the computer and provided to each party. For example, in the example illustrated in FIGs. 16-18 and discussed at paragraph 26 of the specification, the computer has generated five different suggestions from which Sally and Big Co. can choose as possible agreements to the multiple issue negotiation. In contrast, the ICANS system disclosed in the '412 patent only generates one "equivalent" alternative because theoretically only one such package exists. There is no disclosure in the '412 patent of the computer generating multiple suggestions from which the parties can chose. For these reasons, claim 18 and the remaining claims that are dependent thereon are not anticipated under 35 U.S.C. 102 by the '412 patent.

In view of the foregoing, Applicants respectfully submit that the claims as amended are patentable and allowable over the references of record and meet the requirements of 35 U.S.C. 101 and 112. Accordingly, favorable reconsideration of the application is respectfully requested.

Respectfully Submitted,

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